

## **Appendix 3**

### **SACS FOCUS GROUP SUMMARY**



## Table of Contents

Executive Overview.....	1
Summary of Findings .....	3
About This Focus Group .....	3
Current Opinion of SACS .....	3
Role Played by SACS .....	4
SACS Performance.....	5
Suggestions for Improvement .....	6
• Training and Information .....	6
• Simplify.....	7
• New Ideas .....	8
One Final Related Note .....	9

## **Small Agency Client Services Focus Group Executive Overview**

### **SACS continues to improve**

- SACS is seen as "continually improving" in the opinions of its small agency clients. There are ways that they believe SACS can improve even more but overall, small agencies describe the group as "getting better."
- When asked in the final moments of the group discussion how SACS would be graded for overall customer satisfaction, the grades were primarily "C" along with several "B's". Participants who had been with small agencies for five or more years, however, were quick to say that five years ago the grades would have been D or F.

### **SACS' most positive improvement starts with attitude**

- One of the most positive changes small agency clients have seen at SACS is the improvement in attitude and morale. The result is higher employee retention, fewer changes in personnel working with agencies and higher satisfaction among SACS clients.

### **SACS management continues to be a strength**

- For the second year, the agencies voiced their appreciation for SACS management and its attention to client service.

### **Small agencies want SACS as a "partner"**

- The role these small agencies expect SACS to play is described as an "ombudsman," a "proactive partner," their "one-stop financial interface" and the "master source" for advice, information and notifications.

### **Training that SACS provides is key**

- Small agencies expect SACS to provide training and information about each agency not only to new SACS employees who will be working with them but to new members of the agency as well.

### **SACS has been more proactive in the last year**

- Small agencies where SACS went to discuss budget and other needs saw the visit as an example of the proactive partner they want from SACS.

### **Attention should be paid to errors and reports**

- Small agencies see the major areas for SACS to concentrate its efforts for improvement to be technical errors and accuracy and usefulness of reports.

### **Budgeting and accounting functions should be more integrated**

- When SACS representatives take the lead in working with budget analysts there are fewer budget problems for the agencies.

### **The cost for SACS services continues to be a concern**

- Agencies understand they need to pay for SACS services, but want to be sure they are getting good value for the cost.

### **Small agency clients suggest three types of improvements for SACS**

- Training and Information
  - More formalized orientation sessions for new employees and agency personnel
  - Documentation of the "relationship" between SACS and each agency
  - Frequent communication of important information
  - Help with developing "Policies and Procedures"
  - Help with understanding trend reports
- Simplify
  - Reports seem designed for large agency needs and capabilities
  - Simplify them for small agencies to more easily understand and use
  - Provide electronic submission of information to simplify the process and make checking for errors easier
- New Ideas
  - Sponsor regular meetings of small agencies to problem-solve and network
  - Keep a log of problems encountered across small agencies
  - Facilitate communication between large and small agencies to take advantage of training expense efficiencies

# **Small Agency Client Services Focus Group Summary of Findings**

## **About This Focus Group**

This is the second consecutive year that a focus group discussion has been conducted for the Small Agency Client Services of the Office of Financial Management (OFM). Nine agencies were represented at this discussion, held in a meeting room in the Department of Labor and Industries Building on Tuesday, June 20, 2000. Gilmore Research Group hosted and moderated the group discussion, with only the participants and Gilmore in attendance.

Participants were directors or those representing directors of their respective agencies. They were recruited for this discussion by telephone by Gilmore Research. None of the individuals taking part in this discussion had attended the similar focus group held by Gilmore for OFM in 1999. Participants included people who had been with their agencies for anywhere from under one year to over ten years.

The purpose of this discussion was to explore the agency relationship with the Small Agency Client Service group (SACS), learn how SACS is performing in meeting agency needs, identify ways that SACS has changed in the past year and establish suggestions for improvements to its services and relationships with small agencies. The discussion lasted for approximately two hours and followed a discussion guide developed jointly by OFM and Gilmore Research Group. Gilmore prepared this summary report using notes and audiotapes of the discussion.

## **Current Opinion of SACS**

As has been apparent in previous sessions with small agency clients of SACS, the general opinion regarding this OFM group is one of continuous improvement. A variety of experience with SACS was represented among these participants, from only a few months to many years, but comments from all were consistent in terms of their positive tone. Individuals with more than a few years' experience describe the relationship they currently have with SACS as a great improvement over relationships in the past. Those with only a few months at their agencies have little to compare performance to but also report generally satisfactory experiences.

This does not mean that these agency representatives do not have any suggestions for further improvement, however, far from it. There are several areas where specific recommendations were made for improvement. But these participants are quick to point

out that SACS is continually "getting better." As one participant said, "It used to be that they told us what we could and could not do; now they're working with us. They are not there yet, but they're working on it."

As seen in 1999, the agencies are very pleased with SACS management. They feel that management has been very responsive, can be trusted, and is serious about trying to improve service to the agencies. This is recognized and appreciated.

## **Role Played by SACS**

The mindset exhibited by many of the small agency executives participating in this discussion, as well as the one held in 1999, reflects the perception that they are required to "do everything the big agencies do" with much smaller staffs and within expenditure levels that larger agencies would consider "budget dust." They see SACS as a group that is supposed to help them not only accomplish what is required but one that should also act in their behalf to correct or improve those requirements where necessary. "We rely on our SACS contact to interpret, explain and come tell us what it means," said one director. Another director relatively new to his agency and SACS used the term "ombudsman" when describing the role he felt that the group should play. Another participant new to his position with a small agency likened the role SACS should play as a "partner" helping an agency avoid problems rather than an "auditor" pointing out the problems the agency has. The director of a very small agency described his perception of what SACS should be as the "one-stop financial interface" for small agencies—the "master source" for advice, information, and notifications.

Another area that members of this discussion group mentioned as part of SACS' responsibilities involves training. Turnover of personnel at SACS has presented a challenge in terms of the knowledge and experience of new individuals working with any particular agency. SACS clients understand that they are a very "diverse group of agencies" and have very different conditions and needs. Most acknowledge the responsibility they have to help SACS acquaint any new SACS personnel with the intricacies of their agency's business. Those with more years of experience express the opinion that turn-over at SACS and the additional training it has required in the past has improved in the last year or so.

An important aspect of training discussed in this meeting was the expectation for SACS to be actively involved in training new personnel at an agency—at all levels, including new directors. Orientation sessions covering the complexities of expectations for those on the director and assistant levels help clarify requirements, smoothing the transition.

## SACS Performance

Discussing specific opinions of SACS performance in the last several years, one area that was singled out as generally improved was that of attitude and morale. One participant described a definite "change in the environment" over the last three years that has, in her opinion, resulted in higher SACS retention levels as well as increased satisfaction among agency clients. While satisfaction with individual SACS representatives can vary, the longer a SACS person works with an agency, the more knowledge he or she gains about the agency needs and problems. When new to the process, some SACS personnel are described as simply going "by the book" rather than being able to use judgment on a case-by-case basis. With more experience at the agency level, however, they become a valuable member of the agency's team. Directors who have had a longer-term relationship with their SACS contact described the situation as being a definite improvement.

There were reports from several participants that within the last year, SACS had proactively offered to come to their office to discuss the budget process and any other needs they had. Regardless of what was discovered about their budget, most of the individuals discussing this experience were quite pleased with the idea that SACS had gone out of its way to communicate with them—something a few participants said had not happened before. This, however, was the only example of improved communication that the agency directors volunteered. More often they were asking for more and earlier communication, as in this comment: "They need to let us know when there is a problem in SACS and give us a heads-up, for example, when a fiscal tech is going to be on leave. (Also,) tell us, so we can get bills in faster when you're training a new person. Let us know when your training is behind and we at least won't be surprised." Another director agreed and added, "If the numbers are off for some reason, let us know ASAP! Don't let it be a surprise." Still another participant received almost unanimous agreement when he said that SACS must do better in apprising agencies of any budget excess: "I need to get some things with that excess, but by the time I hear about the excess, I can't get them fast enough to use the excess before June 30. Now I will lose the money."

In general, these agency directors have no problems with the attitudes of SACS personnel and few with the overall process of working with SACS. They do perceive a "systemic problem" that the people at SACS "are just too busy." The directors feel that this leads to the two main areas of dissatisfaction, both of which were also discussed a year ago: clerical errors and report accuracy and usefulness. While the issue of technical errors appears to have improved to some extent (the discussion was not as heated as a year ago), the participants noted throughout the session that more needs to be done to train staff and double-check coding and entries so that financial reports are accurate. One participant summed up the issue of report usefulness when she said: "You have to continuously monitor (your reports). SACS people don't have time to analyze reports and trends for you. I think it's unreasonable for OFM to expect small agency people to understand all the information they send down and how to use it to make decisions." Several other directors asked for better reports that are more "simplified to see the bottom line." One

stated, “The reports we get are the same as DSHS and they have a zillion analysts to look at them.”

Some of the participants felt that problems in understanding reports might really be problems with the budget. If so, that has a negative impact on the agency’s interaction with SACS. One director said it is often hard to get agreement between their OFM budget analyst and their SACS representative—the agency gets conflicting information from the two. Another director said that has also happened with him, but that his representative takes the lead with the budget analyst and solves any discrepancies for him. This action is obviously very well received by the agency.

The cost of the services provided by SACS is a critical budget issue to these small agencies. As we saw in the 1999 discussion, many wish they had the ability to look outside state government for their accounting services, feeling they could do better on the open market. (Indeed, two participants in this session were from agencies that are not funded by the state and use SACS only for payroll services. They were able to corroborate the perception that independent accounting services are less expensive than SACS’ services.) These directors were quick to say that they realized that asking for more service from SACS would also be asking for higher costs. They want SACS to be as efficient as possible and perhaps automate more processes to offset the cost of providing important services. A director explained his understanding of how he can help SACS keep down costs to his agency: “If SACS comes to us it costs more than if I go to them, and that costs more than if I read a ‘how-to’ manual, and that costs more than reading it on a website.” Other participants wanted to be sure they get value for the money they pay to SACS: “I hear they are so busy and they have so much turn-over, but we’re all paying a lot of money to this agency for their service.” Another claimed that he feels he is paying for SACS to be an ombudsman for all the other areas of government: “If they have this role, then I see value. If I look only at the market rate of accounting services, then I don’t see the value (of SACS).”

## **Suggestions for Improvement**

Suggestions made by members of this discussion can be grouped into three general types: suggestions for improvements to the training and information SACS provides for small agencies; requests to simplify requirements and communications between SACS and its clients; and new ideas on ways to help small agencies solve their most frustrating situations.

### **• Training and Information**

Because the policies and processes involved with each small agency can be complex and very diverse, members of this discussion group suggested that SACS institute more formalized orientation sessions for their own new employees and people joining an agency as well. Participants recognized that SACS often does review information



especially with new directors. However, they also believe that more specific sessions should be designed to cover details—such as various forms to use, or an overview of AFRS—that may be beyond the scope of a general orientation. (One member mentioned that such information could possibly be obtained at training sessions already available from OFM. This did not seem to be common knowledge to many of the others. Later, someone suggested that SACS publish a list of OFM workshops that small agencies could attend, or at least let everyone know how to find the information on the OFM website.)

During such information sessions, another idea suggested was for SACS to provide a description of the "relationship" between each agency and SACS. This type of documentation will clarify expectations and ease the communication between SACS and its clients. Individual support people that an agency can call on at SACS should also be identified in such documentation. In addition, when those individuals change or will be unavailable (on leave, vacation, etc.), it is critical for SACS to communicate that kind of information to an agency. As mentioned above, most of the agencies represented in the group session indicated a desire for SACS to communicate more frequently with this type of important information.

A topic that generated much discussion during the session involved requirements for each of the small agencies to have their own set of "Policies and Procedures." Some participants seemed at a loss to know why they needed to put the time into figuring out such a complex type of document when most of it did not seem to be appropriate for their agency. This is the type of information and help they would like to get from SACS.

Another type of information needed from SACS was more trend information. Trying to avoid either over or under spending their budgets, executives from small agencies feel trend information could be very helpful. Differences that might not be important to agencies with million dollar budgets can be critical to these directors and such information could help them be prepared. Any kind of proactive help and information from SACS regarding their budgets is seen as potentially very valuable to these individuals: "The budgetary situation for small agencies is overwhelming. Some of the information I get isn't timely. I want SACS to help me with projects, with trends, and be more proactive in helping me."

- **Simplify**

There was common agreement on the need for improved reports received from SACS. Although these directors have been asked which of the reports they receive are the ones they most need, the point the directors wanted to make is that none of the reports are exactly what they need nor are any of them easy to use. The consistent message among these agency representatives was to "simplify the reports." Unless a person knows and understands AFRS, the reports generated by SACS can be very difficult to understand and therefore, difficult to use or check for errors. Specific mentions were made of "encumbrances," "paid versus allocated" funds and other areas of confusion. One director suggested that perhaps the reports were built to reflect the separation of

"budgets" and "accounting" at OFM that make sense for larger agencies. That separation is not a useful distinction at small agencies. It simply makes their job more difficult.

Another suggestion that related to simplifying the reporting process between OFM and all state agencies was to make electronic submission and checking available. That would reduce the chance for technical errors to be made by reducing the amount of transcription necessary and offer the opportunity for errors to be identified when they are made. Small agencies, especially, have patterns that can be identified in expenses. If changes appear in those patterns, they could be automatically flagged by the system for review.

- **New Ideas**

Several very interesting suggestions were made by these directors for new ways that SACS could be of further help to them. One that seemed to generate interest from almost all members of the group was for SACS to organize and sponsor regular meetings among their small agency clients. At such meetings, SACS could bring in individuals to discuss issues that face all small agencies—timely issues such as budget development or the confusion and frustration experienced with identifying what expenses can be covered with which cards (travel cards, plastic cards, etc.) At these meetings, small agency individuals can also share experiences and brainstorm ways to solve mutual problems. One director, having experience with similar types of meetings, suggested that SACS use these discussions to help define where changes should be made. If people see that the discussions lead to real change, they will be very willing to put in their time to come to the meetings. Overall, participants in this group session were quite positive toward the idea of SACS sponsoring such meetings, and even more group sessions like this focus group led by SACS personnel. All felt small agencies could all benefit from such discussions. One person from a very small agency said, “I feel like I’m out there by myself sometimes.” Another said, “None of us can see all the hazards and pitfalls, so we can learn from each other.” Related to this comment, one director asked if SACS keeps a log of the problems they encounter across agencies. An agency sees only its own problems, but would like to learn from others. A log of problems encountered would ensure that situations already handled could be reviewed when similar circumstances are encountered.

Another interesting idea suggested during this discussion was a way for small agencies to make their budgets go farther—especially the money allocated for training costs. One director told how she had arranged with a larger state agency that had some similarities to her agency in issues of importance, to advise her when they were setting up training sessions that might be relevant for her staff. Instead of paying large amounts of money to set up special training sessions for her small staff, she was able to add her staff members to the group being trained at the larger agency for a minimal fee. By finding a large agency to "adopt" her small agency in this way, she was able to stretch her training budget much farther than she would have been able to on her own. She was simply sharing the idea with the people in the room. If SACS, however, could act as the communication center for such opportunities, all of their small agency clients might benefit from the same kind of arrangement.

## **One Final Related Note**

Something that will be of interest to SACS and to all of OFM was the unanimous praise given to the OFM website. The site was mentioned several times in the discussion as a good resource or potential resource and almost always, people nodded and verbalized agreement. One person called it a “very strong website” and another said it was a “nice” website. Others totally agreed with those assessments.